MOODY'S
INVESTORS SERVICE

CREDIT OPINION
17 January 2022

Update

Rate this Research

RATINGS

Aker BP ASA

Domicile	Oslo, Norway
Long Term Rating	Baa3
Type	LT Issuer Rating - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Maria Chiara Caviggioli +44.20.7772.5481
Analyst
mariachiara.caviggioli@moodys.com

Mario Santangelo +44.20.7772.5222
Associate Managing Director
mario.santangelo@moodys.com

Aker BP ASA

Update following ratings placed under review for upgrade

Summary

The placement of Aker BP ASA (Aker BP or the company)'s ratings under review for upgrade reflects the material expected enhancement in scale and business profile following the proposed acquisition of Lundin Energy AB (Lundin, Baa3 stable)'s high-quality upstream assets. It also reflects the expectation of a robust financial profile being retained by the combined entity, supported by expected continued commitment to a conservative financial policy in line with Aker BP's current framework.

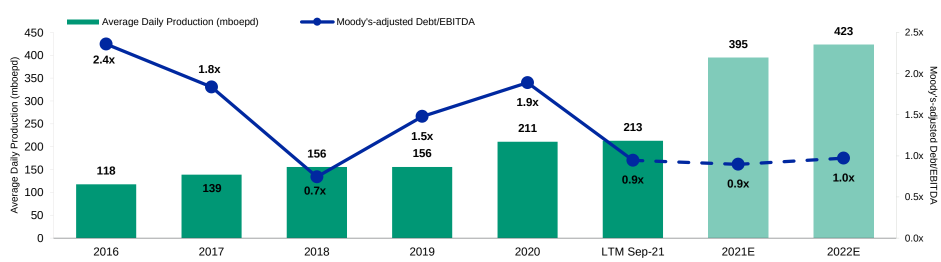
Pro-forma average daily production would sustainedly exceed 350 thousands barrels of oil equivalent, underpinned by a strong pipeline of growth projects and good reserve replacement capabilities. In addition, business profile and profitability would benefit from the incorporation of Lundin's young and well-invested asset base, characterised by very low unit production costs of $2-$3 per barrel. Despite the increase in pro-forma indebtedness driven by the $2.5 billion bridge facility entered to fund the acquisition and the expected consolidation of around $2.0 billion of Lundin's debt, we estimate the combined entity's adjusted leverage (according to our definition) to remain at around 1.0x. In our view, the transaction carries relatively low execution risk given the similarity between Lundin's and Aker BP's asset bases, as well as the company's good track record in managing inorganic growth.

However, the combined entity will continue to have proved reserves and production somewhat smaller than similarly rated peers, limited production diversification by field and material outflows for growth investments and dividends.

Exhibit 1

Successful completion of the proposed acquisition of Lundin's assets would enhance Aker BP's credit profile

Historic and projected evolution of average daily production and adjusted gross leverage, as adjusted by Moody's



Note: 2021E and 2022E projected metrics computed on a pro-forma basis, incorporating full-year contribution from Lundin's upstream assets. Moody's projections assume a $65/Bbl Brent oil price for 2022.
Source: Company reports, Moody's Financial Metrics™ and Moody's Investors Service

Credit strengths

» Established presence as a low cost E&P operator on the Norwegian Continental Shelf (NCS), reinforced by potential acquisition of Lundin's oil & gas assets

» Exposure to a stable operating environment and favourable tax regime in Norway (Aaa stable)

» Production profile underpinned by Johan Sverdrup field and good pipeline of low break-even growth projects

» Solid financial and liquidity profile

Credit challenges

» Smaller scale and proved reserves relative to Baa2 and above rated peers

» Material decline rates of producing assets, requiring constant need to invest in reserves replenishment

» Concentration of production on some key fields

» Significant outflows for investment programme and dividends in the medium term

Rating Outlook

The rating outlook is under review for a possible upgrade due to the announced acquisition of Lundin. The review will focus on (1) the transaction concluding as planned upon receipt of shareholder approvals, (2) confirmation that the financial policy and capital allocation framework will not change, (3) any conditions placed on the combined company in order to obtain approval from relevant authorities.

Factors that could lead to an upgrade

Given the review for upgrade, it is likely that the rating could be upgraded if the acquisition of Lundin is successful and market conditions are unchanged. We expect any rating upgrade to be limited to one notch.

Prior to placing the ratings under review, we stated that Aker BP's ratings could be upgraded if (1) it materially enhances the diversification of its production profile; (2) sustain production towards 350 kboepd, while maintaining a reserve replacement rate of no less than 100%; (3) pursue financial policies which ensure that adjusted RCF to total debt is maintained above 60% on a sustained basis and (4) materially strengthen its FCF generating capacity amid a constant need to access and develop new hydrocarbon resources. A rating upgrade would also require the group to maintain a good liquidity profile and continue to demonstrate strong financial discipline.

Factors that could lead to a downgrade

Conversely, the ratings could be downgraded if (1) average production falls below 200 kboepd on a sustained basis or reserve replacement falls considerably below 100%; (2) Aker BP's financial profile materially deteriorates and net adjusted leverage increased sustainably above 1.75x (3) adjusted RCF to total debt fall below 40% for an extended period of time. The rating could also be downgraded should the group's liquidity profile significantly weaken.

Key indicators

Exhibit 2
Key Indicators for Aker BP ASA[1][2][3]

USD Millions	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sep-21	Dec-21 E	Dec-22 E
Average Daily Production (MBOE / Day)	118	139	156	156	211	213	395	423
Total Proved Developed Reserves (mmboe) (*)	215,900	271,000	255,000	449,000	511,000	511	> 511	> 511
E&P Debt / Average Daily Production	22,347	26,230	14,432	22,946	19,863	17,579	21,067	19,695
RCF / Debt	35.7%	31.8%	61.4%	29.8%	42.3%	53.7%	55.1%	46.8%
EBITDA / Interest Expense	6.1x	9.6x	12.4x	10.9x	10.0x	20.1x	37.1x	29.4x

Note: (*) Information on Lundin's share of proved developed reserves not publicly available. 2021E and 2022e projected metrics computed on a pro-forma basis, incorporating full year contribution from Lundin's upstream assets. Moody's projections assume a $65/Bbl Brent oil price for 2022. All figures and ratios are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months. Moody's Forecasts (f) or Projections (proj.) are Moody's opinion and do not represent the views of the issuer.
Source: Company reports, Moody's Financial Metrics™ and Moody's Investors Service

Profile

Aker BP ASA is a Norwegian oil and gas company involved in the exploration, development and production of hydrocarbons on the Norwegian Continental Shelf (NCS), where all of its producing assets are located. Net average daily production for the Last Twelve Months ended 30 September 2021 (LTM) stood at around 214 thousands barrels of oil equivalent (mboepd), which implies a reserve life of 6.6 years based on year-end 2020 proved developed (1PD) reserves of 551 million barrels of oil equivalent (mmboe). LTM revenue and EBITDA (Moody's-adjusted) amounted to $4.6 billion and $3.7 billion respectively.

Aker BP is owned 40% by Aker ASA (unrated), 30% by BP p.l.c. (A2 stable) while remaining is free float. As of 12 January 2022, it had an equity market capitalisation of NOK102.2 billion ($11.7 billion).

ESG considerations

AKER BP ASA's ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 3
ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

CIS-3. Aker BP's ESG Credit Impact Score is Moderately Negative (**CIS-3**). The company's very high exposure to carbon transition, and demographic & societal trend risk factors may cause greater potential for future negative credit impact over time, but there is limited credit impact to date because of strong corporate governance driven by strong management track record and a conservative financial strategy.

Exhibit 4
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-5	S-5	G-2
Very Highly Negative	Very Highly Negative	Neutral-to-Low

Source: Moody's Investors Service

Environmental

E-5. Aker BP has a very highly negative exposure to environmental risks mainly related to carbon transition risk and natural capital. The major drivers are the carbon transition exposure as economies pivot away from crude oil, and from liabilities related to decommissioning obligations of upstream assets. While Aker BP has among the lowest scope 1 and 2 carbon emissions in the industry, similar to its peers, it is very highly exposed to the risk of falling demand for fossil fuels.

Social

S-5. Aker BP has a very highly negative exposure to social risks mainly related to demographic & societal trends. The major drivers are the opposition from communities, and from increasing regulatory hurdles and public opposition to the construction of new upstream projects. These risks are partially offset by the company's low to moderate exposure to other social risk factors such as human capital, customer relations, and health and safety.

Governance

G-2. Governance risks are neutral-to-low and linked primarily to conservative financial policies demonstrated through balance sheet strength and solid liquidity, and a successful track record. The company's priority is to retain strong financial capacity and an investment grade credit rating.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Detailed credit considerations

Established presence on the Norwegian Continental Shelf, reinforced by potential acquisition of Lundin's upstream assets

Aker BP is a medium-size, conventional oil and gas exploration & production (E&P) company whose hydrocarbon resource base is located exclusively on the Norwegian Continental Shelf (NCS). Producing assets are spread across six main hubs (Alvheim, Valhall/Hod, Ivar Aasen, Skarv/Ærfugl, Ula/Tambar/Oda and Johan Sverdrup) which originated an average daily production of 214 thousands barrels of oil equivalent (mboepd) in the Last Twelve Months (LTM) ended 30 September 2021.

On 21 December 2021 Aker BP announced the intention to acquire Lundin's upstream assets. Should the transaction go ahead, the company's scale would almost double to around 400 mboepd (based on 2021 guidance) driven by volumes associated with Lundin-operated Edvard Grieg field and a larger combined interest of 31.6% in the Johan Sverdrup project. While Aker BP would become the largest independent E&P operator on the NCS, it would remain considerably smaller than select Baa2-rated peers, such as Canadian Natural Resources Limited (Baa2 stable, 1,235 mboepd expected in 2021), Pioneer Natural Resources Company (Baa2 stable, 613 – 619 mboepd) and Wintershall Dea AG (Baa2 stable, 620 mboepd). More positively, the incorporation of Lundin's young, high-quality and well-invested asset base, characterised by very low unit production costs of $2-$3 per barrel would benefit Aker BP's business profile and enhance profitability, mitigating the pro-forma substantial production concentration on Johan Sverdrup (42% of volumes) and the subsequent moderate deterioration in the degree of direct field operatorship.

Exhibit 5

Substantial production concentration on Johan Sverdrup on a pro-forma basis, mitigated by the field's high quality

Based on average daily production for 2020 and for the first 9 months of 2021

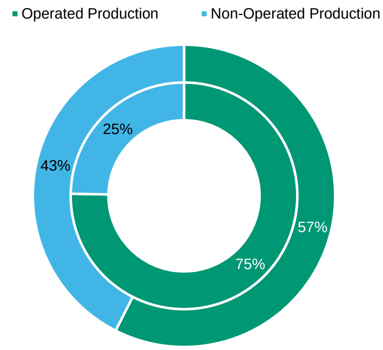
	Current	Pro-forma
Johan Sverdrup	24.7%	42.5%
Valhall	24.2%	10.4%
Edvard Grieg	0.0%	17.9%
Skarv	10.0%	8.7%
Alvheim	26.3%	14.4%
Ivar Aasen	9.6%	4.0%
Ula	5.2%	2.1%
Total	**100.0%**	**100.0%**

Source: Company reports and publications

Exhibit 6

Moderately declining degree of operatorship driven by greater exposure to Equinor-operated Johan Sverdrup project

Based on average daily production for 2020 and for the first 9 months of 2021



Outer circle displays pro-forma operatorship while inner circle displays the current operatorship

Source: Company reports and publications

Aker BP's commodity mix is predominantly focused on oil, with liquids accounting for 80% to 90% of average production. While oil generally leads to higher profit margin per barrel compared to natural gas, the latter is less exposed to carbon transition risks.

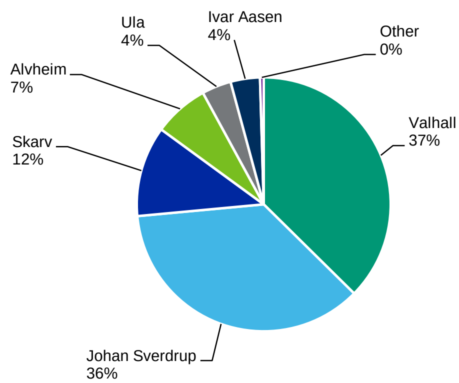
A strong pipeline of low break-even growth projects underpinning future production profile

In the 2015-2020 period, Aker BP's 1P reserves increased nearly fivefold to 641 mmboe. This increase was largely the result of the approval of the Johan Sverdrup project in 2015, followed by the merger of Det norske (Aker BP's predecessor) with BP Norge in September 2016 and the acquisition of Hess Norge AS in December 2017. The slight decline in 1P reserves in 2020 was in line with the expectations and motivated by diffused delays in developments, given the low oil price environment and the coronavirus pandemic-related mobility restrictions affecting the wider oil & gas industry. We highlight that the currently proven reserves are concentrated in two fields, Valhall and Johan Sverdrup, which together constitute approximately 73% of the 1P reserves of the company.

Exhibit 7

Over 70% of Aker BP's 1P reserves are concentrated in Valhall and Johan Sverdrup

Breakdown of 1P Reserves by fields



Source: Annual Statement of Reserves

Aker BP reported a reserve replacement rate of 124% on an organic 1P basis in the period 2017-2019, driven by the approval of Phase 2 of Johan Sverdrup (August 2018) and the sanctioning of three key projects in late 2017 (Skogul, Valhall Flank West and Ærfugl). In 2019 and 2020, reserves additions resulted from the continued development of the Valhall area (Hod field and new wells on the Valhall

Flank West) and new developments and wells in the Alvheim and Ivar Aasen areas. This illustrates the company's clear commitment to maximise oil recovery by extending the life of the field. Coupled with new infill wells, these projects should help contain production decline in the oldest producing areas of Valhall, Alvheim and Skarv, which delivered first oil in 1982, 2008 and 2012 respectively. Many of these reserves have recently been brought onstream and as a result Aker BP's net production grew to 214 kboepd in LTM September 2021 from 156 kboepd in 2019.

Looking ahead, we expect standalone production gradually increasing towards 240 mboepd through 2023-24 driven by first oil deliveries from Phase 2 of Johan Sverdrup and Hod fields from 2022 onwards, on top of the ramp-up of the other fields where production started in 2019-2021. The proposed acquisition of Lundin's assets would lead to a steeper increase in production driven by the greater exposure to Johan Sverdrup, thus allowing the company to produce approximately 470 mboepd by 2023 from pro-forma 2021 levels of 400 mboepd.

Aker BP's production profile in the longer term will be further supported by the progressive conversion into producing reserves of its 895 mmboe (at year-end 2020) of 2C contingent resources. Nearly 50% of these resources are close to five of the hubs where the company already operates, such as Valhall, Skarv and Alvheim. We consider these type of projects to carry a lower execution risk and shorter payback periods as opposed to field developments in new areas. Aker BP plans to take a Final Investment Decision (FID) instrumental to the development of around 550 mmboe of 2C resources by the end of 2022, so as to benefit from the enhanced profitability and returns on investment allowed by the temporary changes to the Norwegian tax regime introduced in June 2020. The company's management estimates that the weighted break-even oil price of its non-sanctioned portfolio will be below $27/boe. While acknowledging that the company plans are substantial and that such growth strategy carries some execution risk, we also recognise the significant enhancement to Aker BP's future production profile.

Exhibit 8

Most of the near-term sanctionable projects are located in proximity of Aker BP's producing hubs

Overview of Aker BP's 2C resources subject to FID by end of 2022

Project	Area	Net mmboe	FID	First Oil
Valhall Infill wells	Valhall	10	2020	2021
Frosk	Alvheim	10	2021	2023
Kobra East/Gekko	Alvheim	27	2021	2024
Trell & Trine	Alvheim	10	2022	2025
Hanz	Ivar Aasen	5	2021	2024
Skarv satellites	Skarv	70	2022	2025
Valhall NCP	Valhall	70	2022	2026
NOAKA	NOAKA	325	2022	2027
Garantiana	Other	20	2022	2026

Source: Company reports and presentations

Improved market conditions and low operating costs support solid credit metrics, subject to continued disciplined approach to financial policy

Aker BP reported a strong financial performance in the first nine months of 2021. It benefitted from price realisations recovering to around $65.3/boe from $37.3/boe for the full year 2020 while maintaining competitive unit production costs of $9.0/boe, only marginally up from $8.3/boe in 2020. As a result, Moody's-adjusted EBITDA in the first three quarters of 2021 was $3.2 billion, roughly $1 billion higher than the full-year 2020 amount, while gross leverage (Moody's-adjusted) for the LTM September 2021 declined to 0.9x from 1.9x as at the end of 2020. Aker BP's cash flow generation was also strong with close to $2.0 billion of Moody's-adjusted Funds from Operations (FFO) for the first nine months of 2021 compared to $2.2 billion in 2020. Similarly, the company generated Moody's-adjusted free cash flow of $1.3 billion, as it maintained good discipline on capital expenditure and shareholder remuneration.

Outflows related to capital expenditure and dividends of respectively $1.2 billion (Moody's-adjusted) and around $350 million were in line with the comparable period of 2020.

Within the context of high exposure to the volatile oil and gas industry, we positively factor into our analysis Aker BP's conservative approach to financial policy, which prioritizes balance sheet strength over shareholder distribution. Notably, in May 2020 the company has effectively rebased its dividend after cutting by 50% the $850 million amount planned for the year.

Assuming the successful acquisition of Lundin's assets, we expect Aker BP's annual revenue generation in the order of $9-$10 billion over the next couple of years, under a $60-$65/barrel oil price scenario and rising production volumes related to Johan Sverdrup Phase 2. We estimate that Moody's-adjusted EBITDA generation would more than double compared to LTM September levels of $2.4 billion, driven by the moderate improvement in the combined unit production cost profile to below $7/boe. This should offset the expected increase in indebtedness driven by the $2.5 billion debt raised to fund the acquisition and the expected consolidation of around $2.0 billion of Lundin's debt, thus maintaining adjusted leverage at conservative levels. Under our base case scenario, Aker BP should continue to generate positive, albeit reducing over time free cash flow generation due to material outflows for growth investments and dividends.

Liquidity analysis

Aker BP's liquidity is robust. The company reported $1.4 billion of cash and cash equivalents at the end of September 2021 and had access to a fully undrawn $3.4 billion revolving credit facility (RCF). The RCF comprises a $1.4 billion working capital facility expiring in 2024 (with options for up to two years extension) and a $2 billion liquidity facility expiring in 2026. The facility is subject to a 3.5x net leverage covenant and to a 3.5x interest coverage, under which the company has substantial capacity that we expect to be maintained in the future.

Based on current information, upon closing of the announced acquisition we expect Aker BP to repay Lundin's outstanding $1,500 million term loan and to either assume or guarantee the two bonds issued by Lundin and maturing in 2026 and 2031, overall resulting in a manageable debt maturity profile with no scheduled maturities until 2024.

Structural considerations

The company's notes are rated at the same level as the issuer rating, as they are entirely unsecured. There is no significant structural subordination of creditors at Aker BP's level, given the group's policy of avoiding external debt at the operating subsidiary level.

Rating methodology and scorecard factors

Scorecard Factors				
Aker BP ASA				
Energy, Oil & Gas - Independent E & P Industry Scorecard [1][2]	Current LTM 9/30/2021		Moody's 12-18 Month Forward View As of January 2022	
Factor 1 : Scale (20%)	**Measure**	**Score**	**Measure**	**Score**
a) Average Daily Production (Mboe/d)	213	Baa	400 - 425	Baa
b) Proved Developed Reserves (MMboe) (*)	511	Baa	> 511	Baa
Factor 2 : Business Profile (10%)				
a) Business Profile	Ba	Ba	Baa	Baa
Factor 3 : Profitability and Efficiency (25%)				
a) Leveraged Full-Cycle Ratio	1.6x	Ba	1.5x - 2x	Ba
Factor 4 : Leverage and Coverage (30%)				
a) E&P Debt / Average Daily Production	$17,579	Baa	$18,000 - $21,000	Ba
b) E&P Debt / PD Reserves boe	$7.3	Ba	$7.5 - $10	B
c) RCF / Debt	53.7%	A	47% - 52%	Baa
d) EBITDA / Interest Expense	20.1x	A	30x - 35x	Aa
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Baa	Baa	Baa	Baa
Rating:				
a) Scorecard-Indicated Outcome		Baa3		Baa3
b) Actual Rating Assigned		Baa3		Baa3

[1] All ratios are based on 'Adjusted' financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. [2] As of 9/30/2021(L); Source: Moody's Financial Metrics™ [3] Projected metrics computed on a pro-forma basis, incorporating full year contribution from Lundin's upstream assets. Moody's projections assume a $65/Bbl Brent oil price for 2022.

Source: Moody's Investors Service

Ratings

Exhibit 10

Category	Moody's Rating
AKER BP ASA	
Outlook	Stable
Issuer Rating	Baa3
Senior Unsecured	Baa3

Source: Moody's Investors Service

Appendix

Exhibit 11

Select rated peers for Aker BP[1][2]

	Aker BP ASA			Pioneer Natural Resources Company			Var Energi AS
	Baa3 RUR Up			Baa2 Stable			Baa3 Stable
(in US millions)	FYE Dec-19	FYE Dec-20	LTM Sep-21	FYE Dec-19	FYE Dec-20	LTM Sep-21	FYE Dec-20
Revenue	$3,339	$2,868	$4,649	$9,912	$7,001	$13,054	$2,872
EBITDA	$2,420	$2,214	$3,970	$4,015	$1,983	$5,477	$1,892
Average Daily Production (MBOE / day)	156	211	213	346	367	536	$265
Total Proved Developed Reserves (MBOE)	449,000	511,000	511,000	1,077,997	1,211,172	1,211,172	526,000
EBITDA / Interest Expense	10.9x	10.0x	20.1x	30.6x	14.8x	34.1x	10.8x
E & P Debt / Average Daily Production	$ 22,946	$ 19,863	$ 17,579	$ 9,198	$ 11,071	$ 14,356	$ 24,098
E&P Debt / Proved Developed Reserves	$ 7.96	$ 8.19	$ 7.34	$ 2.95	$ 3.36	$ 6.35	$ 12.15
RCF / Debt	29.8%	42.3%	53.7%	111.9%	48.9%	56.7%	41.1%

[1] All figures are calculated using Moody's estimates and standard adjustments. [2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™ and Moody's Investors Service

Exhibit 12

Breakdown of Moody's adjustments to Aker BP ASA's reported debt[1][2]

(in USD Millions)	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sep-21
As Reported Debt	**2,541**	**3,389**	**2,018**	**3,600**	**4,184**	**3,753**
Pensions	-	-	-	-	-	-
Operating Leases	92	251	228	-	-	-
Non-Standard Adjustments	1	1	-	(24)	-	-
Moody's-Adjusted Debt	**2,634**	**3,641**	**2,246**	**3,576**	**4,184**	**3,753**

[1] All figures are calculated using Moody's estimates and standard adjustments. [2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 13

Breakdown of Moody's adjustments to Aker BP ASA's reported EBITDA[1][2]

(in USD Millions)	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	LTM Sep-21
As Reported EBITDA	**953**	**1,694**	**2,695**	**2,120**	**2,040**	**3,525**
Pensions	-	-	-	-	-	-
Operating Leases	16	63	57	-	-	-
Unusual	147	226	266	300	174	445
Moody's-Adjusted EBITDA	**1,117**	**1,982**	**3,018**	**2,420**	**2,214**	**3,970**

Note: Unusual items mainly refer to the add-back of exploration-related expenses. [1] All figures are calculated using Moody's estimates and standard adjustments. [2] Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.
Source: Moody's Financial Metrics™

Exhibit 14

Summary of key credit metrics for Aker BP

As adjusted by Moody's

(in USD Millions)	2017	2018	2019	2020	LTM Sep-21	2021 - Proj.	2022 - Proj.
INCOME STATEMENT							
Revenue	2,576	3,713	3,339	2,868	4,649	10,543	9,774
EBITDA	1,982	3,018	2,420	2,214	3,970	9,283	8,563
EBIT	1,205	2,221	1,608	1,093	2,935	7,533	6,763
Interest Expense	206	243	221	221	198	250	291
BALANCE SHEET							
Total Debt	3,641	2,246	3,576	4,184	3,753	8,321	8,321
Cash & Cash Equivalents	232	45	107	538	1,421	1,951	3,204
Net Debt	3,410	2,202	3,469	3,647	2,332	6,371	5,117
CASH FLOW							
Funds from Operations	1,408	1,829	1,815	2,195	2,422	5,443	5,098
Change in Working Capital Items	(8)	(8)	14	(161)	(272)	-	-
Cash Flow from Operations	2,120	3,601	1,780	1,707	3,359	7,183	4,923
Capital Expenditures (*)	(1,140)	(1,949)	(2,183)	(1,507)	(1,550)	(3,298)	(2,468)
Dividends	(250)	(450)	(750)	(425)	(408)	(853)	(1,201)
Retained Cash Flow	1,158	1,379	1,065	1,770	2,013	4,589	3,897
Free Cash Flow (FCF)	731	1,202	(1,153)	(225)	1,400	3,032	1,254
RCF / Debt	31.8%	61.4%	29.8%	42.3%	53.7%	55.1%	46.8%
FCF / Debt	20.1%	53.5%	-32.2%	-5.4%	37.3%	36.4%	15.1%
PROFITABILITY							
EBIT Margin %	46.8%	59.8%	48.2%	38.1%	63.1%	71.4%	69.2%
EBITDA Margin %	77.0%	81.3%	72.5%	77.2%	85.4%	88.0%	87.6%
INTEREST COVERAGE							
EBIT / Interest Expense	5.9x	9.1x	7.3x	4.9x	14.9x	30.1x	23.2x
EBITDA / Interest Expense	9.6x	12.4x	10.9x	10.0x	20.1x	37.1x	29.4x
LEVERAGE							
Debt / EBITDA	1.8x	0.7x	1.5x	1.9x	0.9x	0.9x	1.0x
Net Debt/EBITDA	1.7x	0.7x	1.4x	1.6x	0.6x	0.7x	0.6x
INDUSTRY SPECIFIC METRICS							
Average Daily Production (Kboeped)	139	156	156	211	213	395	423
E&P Debt / Average Daily Production	26,230	14,432	22,946	19,863	17,579	21,067	19,695

Note: 2021E and 2022E projected metrics computed on a pro-forma basis, incorporating full year contribution from Lundin's upstream assets. Moody's projections assume a $65/Bbl Brent oil price for 2022. All figures are calculated using Moody's estimates and standard adjustments. Periods are Financial Year-End unless indicated. LTM = Last Twelve Months.

Source: Company reports, Moody's Financial Metrics™ and Moody's Investors Service

REPORT NUMBER 1316236

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

MOODY'S INVESTORS SERVICE